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No. 04-1350

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

KSR INTERNATIONAL CO.,

Petitioner,

v.

TELEFLEX INC. and TECHNOLOGY HOLDING CO.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED FOR REVIEW

The District Court granted summary judgment in favor of Petitioner, KSR, finding the patent at issue was invalid as obvious. To reach this conclusion, the District Court: (1) considered competing affidavits of experts and chose to credit the affidavit proffered by the moving party, KSR; (2) neglected to make required factual findings relating to obviousness, and (3) concluded as a matter of law that the patent at issue was obvious even though no other prior design or patent disclosed or even suggested the combination of an adjustable pedal coupled with an electronic throttle control that remained stationary during the adjustment process.

The issue here is whether the Federal Circuit Court erred by vacating the District Court's published decision, which revealed glaring errors in the handling and weighing of evidence on summary judgment, and which applied an erroneous legal standard for determining obviousness. The Federal Circuit Court's decision is wholly consistent with firmly-established evidentiary and procedural rules, as well as this Court's standards for determining obviousness. KSR's petition for certiorari is not nearly as significant as it attempts to portray -- it should be denied in the same manner that this Court has denied petitions on this issue for the last twenty-three years.

CORPORATE DISCLOSURE STATEMENT

Respondent Teleflex Inc. is the parent company of Respondent Teleflex Holding Co. and is the only publicly held company that owns 10% or more of the stock of Teleflex Holding Co.

Respondent Teleflex Inc. has no parent corporation and no publicly held company owns 10% or more of its stock.

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STATEMENT OF THE CASE

KSR's Petition for Writ of Certiorari attempts to present this simple infringement dispute between competitors in the automotive supplier industry as a case of major jurisprudential significance. Quite simply, it is not.

On November 18, 2002, Respondent Teleflex Inc.[1] sued Petitioner KSR International Co. ("KSR") for infringement of U.S. Patent No. 6,237,565 (the "'565 Patent"). The District Court granted KSR's motion for summary judgment on obviousness under Section 103 of the Patent Act, 35 U.S.C. § 103, in a published decision.

On appeal, the Federal Circuit Court vacated the District Court's decision and remanded the case for further proceedings on the issue of obviousness, for three principal reasons: (1) the District Court ignored the existence of genuine issues of material fact; (2) the District Court held that the expert affidavit proffered by KSR (the moving party) was more credible than the two affidavits proffered by Teleflex's experts; and (3) the District Court failed to evaluate the evidence using the correct standard for determining obviousness. The Federal Circuit Court did not make any de novo findings on whether the '565 Patent was obvious; it merely vacated the erroneous decision and remanded the case to the District Court for additional factual determinations.

This case is not an appropriate one for this Court to accept KSR's invitation to conduct a sweeping overhaul of

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1. Respondent Teleflex Inc. was the original plaintiff in the District Court action. Respondent Teleflex Holding Co., a wholly-owned subsidiary of Teleflex Inc., was later added as a plaintiff (Respondents collectively referred to as "Teleflex").

the "well-settled law" of obviousness, established over the last twenty-five years, for at least three independent reasons.

First, this case does not present a significant interpretation or application of § 103 by the Federal Circuit Court. The record amply demonstrates that the District Court made basic evidentiary errors in granting summary judgment -- "weighing" the evidence, viewing conflicting expert affidavits in the light most favorable to the non-moving party, and generally accepting KSR's version of "the evidence" as undisputed. The Federal Circuit Court correctly determined that there were, in fact, disputes of material fact presented in the expert affidavits and other evidence, and that the District Court should not have granted summary judgment against Teleflex.

Second, this case is not ripe for review. The Federal Circuit Court did not determine whether the '565 Patent was obvious or not. Instead, the Federal Circuit Court merely remanded the case for further proceedings on obviousness, and, if necessary, infringement and damages.

Third, the Federal Circuit Court's decision to vacate the District Court's award of summary judgment and remand the case for further proceedings does not conflict with other relevant circuit court decisions. In 1982, Congress gave the Federal Circuit exclusive jurisdiction over complaints alleging, in whole or in part, claims arising under federal patent law. KSR does not cite to one post-1982 circuit court case that is in conflict with the Federal Circuit Court's decision in the instant case. Moreover, the decision by the Federal Circuit Court here is unreported and cannot be cited as precedent, so no "conflict" with respect to this case can exist. *See* Fed. Cir. R. 47.6.

A. The Product Involved In This Suit

The product at the center of this dispute is an adjustable pedal system combined with an electronic control. An adjustable pedal system is a vehicle pedal (accelerator, brake, or clutch) that can be adjusted by the driver to move the pedal closer to or farther from the driver – much like an adjustable seat moves the driver closer to or farther from the steering wheel. Jt. App. at 1461-1462.[2] Adjustable pedal systems allow a driver to attain maximum comfort while still sitting as far back from the steering wheel as possible to prevent air bag related injuries. Adjustable pedal systems have become a popular vehicle option because of their convenience and safety benefits. Jt. App. at 1462.

An electronic control that is used in conjunction with an accelerator pedal is known in the automotive industry as an electronic throttle control or "ETC." An ETC is connected to the accelerator pedal and uses a sensor to determine the movement of the pedal as applied by the driver. The ETC translates this movement into an electronic signal that is then sent electronically to the throttle. This electronic signal tells the throttle how much fuel and air to release into the engine. This fuel and air mixture, in turn, determines the engine output and subsequent speed of the vehicle. The ETC thus acts as a conduit between the accelerator pedal and the throttle. Jt. App. at 1557.

Teleflex is a leading manufacturer and supplier of adjustable foot pedal systems that are used by the automotive industry in motor vehicles. Jt. App. at 1461. Teleflex's

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2. The Petition for a Writ of Certiorari is referred to as "Pet.", the Appendix to the Petition is referred to as "App.", and the Joint Appendix in the Federal Circuit is referred to as "Jt. App."

adjustable pedal systems can be found in the Ford Excursion, among others. KSR is also an automotive supplier and a competitor of Teleflex. KSR, too, manufactures and sells adjustable pedal systems. Jt. App. at 2. KSR's adjustable pedal systems can be found in various General Motors' pickup trucks and sport utility vehicles, among others.

B. The Prior Art In Effect When The Inventor Of The '565 Patent Invented The Teleflex Adjustable Pedal System With Fixed Electronic Controls

Prior to the 1990s, the automobile industry used fixed pedals with cable-actuated throttle control mechanisms. Jt. App. at 1470-1471. Subsequently, inventors replaced cables with electronic throttle controls on these fixed pedal assemblies. Jt. App. at 1471. These electronic controls were integrated with the fixed pedal itself, that is, attached directly to the pivot point of the pedal. The next significant invention in the pedal industry was adjustable pedal systems with cable-actuated throttle controls. The next invention was adjustable pedals with electronic controls. These adjustable pedals with electronic controls had the electronic control attached directly to the pedal, in the same manner that the electronic controls were attached to the fixed pedals. Jt. App. at 1470. In other words, the ETC moved with the pedal during the adjustment process, a so-called "mobile ETC."

However, as evidence submitted by Teleflex demonstrated, there was a major impediment to the manufacture and use of adjustable pedals utilizing ETCs. One critical disadvantage of the prior art mobile ETC was that it required a significant amount of space to permit both the ETC **and** the pedal to move in the area near the pedals. Jt. App. at 1471. (The area surrounding the pedals in a vehicle, called the footwell, is a compact and

tight space that is crowded as a result of the pedals vying with the surrounding system and other driver control devices for space in that area. Jt. App. at 1483-1485.) The prior art mobile ETC takes up more space as it moves through the footwell than would a corresponding adjustable pedal without an attached ETC. Thus, there was a significant known disadvantage with adjustable pedal systems coupled with an ETC given the inherent space and "packaging" constraints described above. This packaging problem confronted Teleflex during the development of an adjustable pedal with ETC for Ford's Excursion vehicle. Jt. App. at 1483-1485. Steve Engelgau, a Teleflex engineer, was given the task of solving the problem. Jt. App. at 1483-1485.

C. Invention Of The '565 Patent

Mr. Engelgau invented the design embodied in the '565 Patent which solved this critical footwell space concern. Under the '565 Patent, the ETC is attached to the **bracket** that mounts the pedal to the vehicle -- **not to the pedal itself**; this placement permits the pedal to be adjusted while the ETC remains stationary. Jt. App. at 1552-1559. The stationary ETC design set forth and claimed in the '565 Patent includes an adjustable pedal system having an ETC that is attached to the mounting bracket and in which the ETC remains fixed during fore and aft movement of the pedal. Jt. App. at 1559. Significantly, as of the date of conception of the '565 Patent in February 1998, no other ETC adjustable pedal system exhibited a stationary (non-mobile) ETC. Jt. App. at 1483-1485.

Counter to KSR's over-simplification of the invention of the '565 Patent, the claim at issue in this litigation (claim 4 of the '565 Patent) does not just claim an adjustable pedal

with an electronic control. Claim 4 requires a specific way to locate and mount the ETC on an adjustable pedal system. As one of Teleflex's experts opined, the invention of the '565 Patent was a simple, elegant and novel combination of features that would not have been obvious to one of ordinary skill in the art. Jt. App. at 1548.

Because the ETC is attached to the mounting bracket as opposed to the pedal arm itself, the pedal arm is more compact and thus can move within a narrower space. The fact that the pedal arm can move within a narrower space allows the vehicle manufacturer to devote more footwell space to other vehicle components. Jt. App. at 1483-1485. Thus, the independence of the pedal and ETC in the '565 Patent makes the design easier to package within vehicles, a significant invention and improvement over prior art.

D. The District Court Decision

On July 7, 2003, Teleflex filed a motion for summary judgment of infringement on the '565 Patent. On the same day, KSR filed a motion for summary judgment of invalidity, requesting in relevant part that the District Court declare the '565 Patent invalid under § 103 for obviousness.

In its obviousness challenge, KSR characterized the legal issue before the District Court as whether there was a *suggestion* in the prior art so that a person of ordinary skill in the art would have *desired* to combine the prior art:

> With regard to the '565 Patent, the legal question raised by this motion is whether, to a person of ordinary skill in the pedal design art as of January 26, 1998, it would have been obvious

> to combine (a) the adjustable pedal assembly of Asano [a prior pedal design], with (b) an off-the-shelf electronic pedal position sensor. . . . Under *well-settled law*, "when determining the patentability of a claimed invention which combines two known elements, 'the question is whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination.'" *Ecolochem, Inc. v. Southern Cal. Edison Co.*, 227 F.3d 1361, 1372 (Fed. Cir. 2000) (quoting *In re Beattie*, 974 F.2d 1309, 1311-12 (Fed. Cir. 1992) (quoting *Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1462 (Fed. Cir. 1984))).
>
> The record here abounds with evidence suggesting the "desirability" of adding an electronic pedal position sensor to Asano at relevant times.

Brief for KSR, filed July 7, 2003, at 28-29 (emphasis added). KSR made several other references to the test for "obviousness" as including the "motivation" for combining prior art. Brief for KSR, filed July 7, 2003, at 29-30. Finally, KSR concluded that "evidence" suggesting that the '*motivations for combining* Asano with an electronic pedal sensor . . . are at least as clear and convincing as *motivations* that the Federal Circuit has found sufficient to invalidate patent claims under 35 U.S.C. § 103." Brief for KSR, filed July 7, 2003, at 30 (emphasis added).[3]

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3. Of course, now that the KSR has lost its appeal, KSR has disparaged the "well-settled law" and discarded the motivation-based standard that it relied upon in the District Court and Federal Circuit Court proceedings.

A critical issue before the District Court was whether the Asano patent constituted relevant prior art. Petitioner acknowledged that "[t]he relevant art is defined by the nature of the problem confronting the would-be inventor." Brief for KSR, filed July 7, 2003, at 21. Teleflex submitted evidence from the inventor and from two experts that the Asano patent was not relevant prior art relative to the nature of the problem confronted by the inventor of the '565 Patent. *See, e.g.*, Jt. App. at 1551. The District Court reviewed the conflicting evidence and, nonetheless, ruled, as a matter of law, that the Asano patent was relevant prior art. The District Court next reviewed the conflicting evidence, and despite the fact that no other prior design or prior patent, disclosed, taught or even suggested an adjustable pedal coupled with an ETC that remained stationary during the adjustment process, the court found, as a matter of law, that the '565 Patent was obvious. App. at 39a.

E. The Federal Circuit Court Decision

Teleflex timely appealed the District Court decision. In opposing Teleflex's appeal, KSR argued that the District Court properly evaluated obviousness under § 103 because it applied the "teaching-suggestion-motivation" test:

> This Court's precedents hold that "when determining the patentability of a claimed invention which combines two known elements, 'the question is whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness of making the combination.'" *Ecolochem, Inc. v. Southern Cal. Edison Co.*, 227 F.3d 1361, 1372 (Fed. Cir. 2000) (*quoting In re Beattie*, 974 F.2d 1309, 1311-12 (Fed. Cir. 1992)

> (*quoting Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1462 (Fed. Cir. 1984))).

Brief for KSR, filed April 30, 2004, at 27. Furthermore:

> The District Court thus appropriately analyzed the evidence of record to determine whether, as of January 26, 1998, the prior art included "some motivation or suggestion to combine the prior art teachings." 298 F. Supp. 2d at 593 (*quoting Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1324 (1999)).

Brief for KSR, filed April 30, 2004, at 32. Finally, KSR hailed the District Court's decision in employing the "motivation or suggestion to combine" test on obviousness, which is the same test that KSR now asserts in its Petition as violating this Court's precedents and the Patent Act:

> In view of the foregoing, the District Court was well-justified in concluding, as a matter of law, that the prior art of record included "some motivation or suggestion to combine" Asano with a modular prior art pedal position sensor . . . .

Brief for KSR, filed April 30, 2004, at 37.

The Federal Circuit Court disagreed; the Federal Circuit Court held that the District Court erred by granting summary judgment in light of the fact that there were material issues of fact on obviousness. App. at 16a-17a. In addition, the Federal Circuit Court also held that the District Court made improper factual and credibility determinations with respect

to affidavits submitted by the parties' experts: the District Court erred as a matter of law because it credited KSR's expert declarant and discredited Teleflex's two expert declarants. App. at 16a. In addition, the Federal Circuit Court ruled that the District Court applied an incorrect obviousness test, and neglected to make specific factual findings relating to obviousness. App. at 16a. Accordingly, the Federal Circuit Court vacated the decision of the District Court and "remand[ed] the case for further proceedings on the issue of obviousness, and, if necessary, proceedings on the issues of infringement and damages." App. at 17a.

KSR timely filed this petition with the Court to review the Federal Circuit Court's determination that issues of material fact existed that precluded summary judgment.

REASONS FOR DENYING THE PETITION

For the following independent reasons, Teleflex respectfully submits that this Court should decline to review the Federal Circuit Court's decision to vacate the District Court's grant of summary judgment on obviousness.

A. The Federal Circuit Has Not Abandoned This Court's Precedent Or Section 103

Before turning to the central issue of whether the Federal Circuit Court made an error in determining that factual disputes existed in this case and that summary judgment was improper, Teleflex addresses KSR's assertions that "[t]he decision below is in direct conflict with this Court's precedents . . . and the text of § 103 itself." Pet. at 11. KSR is wrong. In this case, and in the other cases cited by KSR (several of which this Court has declined to review), the

Federal Circuit has explicitly addressed § 103 and followed the approach this Court set forth for applying that provision.

Section 103 provides, in pertinent part:

> A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

35 U.S.C. § 103(a).

This Court held in *Graham v. John Deere Co.*, 383 U.S. 1 (1966):

> While the ultimate question of patent validity is one of law, . . . the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

> This is not to say, however, that there will not be difficulties in applying the nonobviousness test. What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context.

383 U.S. at 17-18 (citations omitted).

The Court also instructed that the standard set forth in *Graham* would go beyond an inquiry of purely technical issues:

> These legal inferences or subtests do focus attention on economic and motivational rather than technical issues and are, therefore, more susceptible of judicial treatment than are the highly technical facts often present in patent litigation. . . . Such inquiries may lend a helping hand to the judiciary which, as Mr. Justice Frankfurter observed, is most ill-fitted to discharge the technological duties cast upon it by patent legislation. . . . They may also serve to "guard against slipping into use of hindsight," . . . and to resist the temptation to read into the prior art the teachings of the invention in issue.

383 U.S. at 35-36 (citations omitted).

Thus, under *Graham*, the obviousness inquiry is highly fact specific, and requires an examination of the following: (1) the scope and content of the prior art; (2) the differences between the patented invention and what already existed in the prior art; (3) the ordinary level of skill of people working in the field; and (4) other objective evidence which may

suggest that the invention would not have been obvious. The Court also warned lower courts to "'guard against slipping into use of hindsight,' . . . and to resist the temptation to read into the prior art the teachings of the invention in issue." 383 U.S. at 36. *See also Ashland Oil, Co. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 291 (Fed. Cir. 1985), *cert. denied* 475 U.S. 1017 (1986).

This Court reaffirmed and relied upon the *Graham* fact-intensive test in its consideration and determination of obviousness in *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976) and *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969). In *Sakraida*, the Court expressly cited *Graham* throughout its opinion and relied on the test to evaluate the obviousness of the claimed patent. 425 U.S. at 279-280. Likewise, in *Anderson's-Black Rock*, the Court referenced *Graham* as laying out the test for determining obviousness. 396 U.S. at 61-62. Under the fact situations in both cases, the Court examined whether the combination of "old elements" in prior art produced a "synergistic result."

KSR suggests that the test in *Graham*, which the Court relied upon in deciding *Sakraida* and *Anderson's-Black Rock*, should be cast aside in favor of, essentially, a one-prong "synergistic result" test. However, nowhere in the *Sakraida* or *Anderson's-Black Rock* decisions does this Court state that the "synergistic result" inquiry supersedes a finding of nonobviousness or obviousness under the oft-cited, multiple-prong *Graham* test. Indeed, after the Court issued decisions in *Sakraida* and *Anderson's-Black Rock*, it subsequently expressly endorsed *Graham* as relevant precedent for determining obviousness under § 103:

> The nonobviousness requirement extends the field of unpatentable material beyond that which is known to the public under § 102, to include that which could readily be deduced from publicly available material by a person of ordinary skill in the pertinent field of endeavor. *See Graham*, 383 U.S., at 15, 86 S. Ct., at 692.

Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 150 (1989). Thus, Teleflex respectfully submits that this Court did not intend that *Sakraida* or *Anderson's-Black Rock* override the seminal case of *Graham* on obviousness.

Moreover, the Federal Circuit's so-called "teaching-suggestion-motivation" standard for obviousness is fully consistent with *Graham* and its progeny. Under that standard, there must be some motivation or suggestion to combine specific prior art in such a way as to arrive at the particular combination disclosed in the patent at issue. *See, e.g., Ecolochem, Inc. v. Southern California Edison Co.*, 227 F.3d 1361, 1372 (Fed. Cir. 2000), *cert. denied*, 532 U.S. 974 (2001)[4]; *Ashland Oil*, 776 F.2d at 293. Importantly, as *Graham* instructed, the injection of hindsight in evaluating obviousness must be avoided; the requirement of a suggestion to combine prior art prevents hindsight reconstruction by accused infringers who try to use the patent-in-suit as a guide through the maze of prior art references, combining the right references in the right way so as to achieve the result of the claims in suit. *See, e.g., Yamanouchi Pharmaceutical Co., Ltd. v. Danbury Pharmacal, Inc.*, 231 F.3d 1339, 1343 (Fed. Cir. 2000) ("the suggestion to combine requirement stands

4. Teleflex notes that this Court denied certiorari in *Ecolochem*. Indeed, as discussed below, the petition for a writ of certiorari in *Ecolochem* is virtually identical to KSR's Petition in this case.

as a critical safeguard against hindsight analysis and rote application of the legal test for obviousness."); *Ecolochem*, 227 F.3d at 1371-72 ("Combining prior art references without evidence of a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability -- the essence of hindsight.") (citations omitted); *Grain Processing Corp. v. American Maize-Products Co.*, 840 F.2d 902, 907 (Fed. Cir. 1988).

The Federal Circuit's decisions on obviousness, including the decision in the instant case, follow this Court's precedents on obviousness. In addition to following *Graham*, the Federal Circuit has followed this Court's decision in *United States v. Adams*, 383 U.S. 39 (1966). In *Adams*, as KSR notes in its Petition, the patented product (a battery) consisted of a combination of old elements that were well known in the prior art. 383 U.S. at 51. The Court, nonetheless, held that the patented battery was nonobvious. The Court held that "known disadvantages in old devices which would naturally discourage the search for new inventions may be taken into account in determining obviousness." 383 U.S. at 52. The Court also noted that "[i]f such a combination of [old battery elements] is novel, the issue is whether bringing them together as taught by Adams was obvious in the light of the prior art." 383 U.S. at 50. The Federal Circuit has followed the Court's holding in *Adams*. *See, e.g.*, *Kahn v. General Motors Corp.*, 135 F.3d 1472, 1479-80 (Fed. Cir. 1998), *cert. denied*, 525 U.S. 875 (1998) ("In determining obviousness, the invention must be considered as a whole."); *In re Gurley*, 27 F.3d 551, 553 (Fed. Cir. 1994) ("a reference will teach away if it suggests that the line of development flowing from the reference's disclosure is unlikely to be productive of the result sought by the applicant.") (citing to *Adams*, 383 U.S.

at 52); *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1354 (Fed. Cir. 2001) ("If references taken in combination would produce a 'seemingly inoperative device,' we have held that such references teach away from their combination."); *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 959 (Fed. Cir. 1986) (a patent will not be deemed invalid merely because it is made up of a "combination of old elements"); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 887 (Fed. Cir. 1988) ("A finding that claims which combine several prior art references are invalid based merely upon the fact that those similar elements exist is 'contrary to statute and would defeat the congressional purpose in enacting Title 35.'"), quoting *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1577 (1987), *cert. denied*, 481 U.S. 1052 (1987).

Finally, as discussed above, KSR's lower court briefs are replete with references to "motivation", "suggestion", and "desirability" to combine prior art as the proper test and as the "well-settled law" for determining obviousness. Although KSR firmly embraced the "motivation to combine" test in the District Court and Federal Circuit Court proceedings, KSR now argues that the standard it advanced to the lower courts is against this Court's precedents.

In conclusion, this Court has not repudiated *Graham*, *Adams*, and its progeny in favor of a single-factor "synergistic result" test for combination patents. *Graham* and *Adams* remain good law, and the Federal Circuit has followed those cases and the statutory mandate of § 103.

B. The Federal Circuit Did Not Err By Determining That Genuine Issues Of Material Fact Existed, Thereby Precluding Summary Judgment

The Federal Circuit reviews without deference to the district court's grant of summary judgment and draws all reasonable factual inferences in favor of the non-movant. As the Federal Circuit noted in *Beckson Marine, Inc. v. NFM, Inc.*, 292 F.3d 718, 722 (Fed. Cir. 2002), citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986):

> This court decides for itself whether 'the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.' Fed.R.Civ.P. 56(c).

Beckson Marine, 292 F.3d at 722. Summary judgment is proper on obviousness "only when the underlying factual inquiries present no lingering genuine issues." *Beckson Marine*, 292 F.3d at 723.

Importantly, as the '565 Patent was issued by the United States Patent and Trademark Office, KSR bears the burden of proof on invalidity (in this case obviousness). *See* 35 U.S.C. § 282.[5] This burden of proof is not the standard "preponderance of the evidence" burden; rather, KSR was charged with proving invalidity by clear and convincing evidence. *Ashland Oil*, 776 F.2d at 292; *American Hoist &*

5. 35 U.S.C. § 282 provides in part, that "[a] patent shall be presumed valid. . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity."

Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1359 (Fed. Cir. 1984), *cert. denied*, 469 U.S. 821 (1984). Clear and convincing evidence exists when the movant "place[s] in the mind of the ultimate fact finder an abiding conviction that the truth of its factual contentions are 'highly probable.'" *Colorado v. New Mexico*, 467 U.S. 310, 316 (1994).

The clear and convincing burden remains at all times on the party challenging the validity of the patent. *American Hoist*, 725 F.2d at 1360. Furthermore, "[a]lthough the ultimate determination of obviousness is a legal conclusion, 'the presence or absence of a motivation to combine references in an obviousness determination is a pure question of fact.'" *Medical Instrumentation and Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1220 (Fed. Cir. 2003), *cert. denied*, 541 U.S. 959 (2004) (citations omitted). *See also Panduit Corp.*, 810 F.2d at 1566, 1579.

The Federal Circuit Court used these standards in this case to review de novo the District Court's grant of summary judgment on obviousness. **None of these standards are controversial or call into question a compelling legal issue that this Court needs to review.**

Against these standards for review, the Federal Circuit Court determined that the District Court granted summary judgment in error as there were material issues of fact on obviousness. App. at 16a-17a. The Federal Circuit Court also held that the District Court impermissibly weighed the competing expert affidavits in favor of KSR. App. at 16a. In addition, the Federal Circuit Court ruled that the District Court applied an incorrect obviousness test, and, furthermore, that the District Court neglected to make specific factual findings relating to obviousness. App. at 16a. Based on these

District Court errors relating to the District Court's mistreatment of disputed facts at the summary judgment stage, the Federal Circuit Court vacated the decision of the District Court and "remand[ed] the case for further proceedings on the issue of obviousness, and, if necessary, proceedings on the issues of infringement and damages." App. at 17a.

In addition, the Federal Circuit Court also rightfully refused to accept the pivotal conclusions that the District Court drew from the industry and technical expert affidavits. The Federal Circuit Court held that "by crediting KSR's expert declarant and discrediting the two declarants offered by Teleflex, the district court erred as a matter of law." App. at 16a. The District Court's error was compounded as KSR's only expert affidavit was the arguably biased opinion from its chief engineer; Teleflex, on the other hand, provided two independent expert affidavits. App. at 14a-16a. The Federal Circuit Court succinctly and properly noted: "At the summary judgment stage of a proceeding, it is improper for a district court to make credibility determinations." App. at 16a.

Given the mandate that KSR had to prove by clear and convincing evidence that there were no genuine issues of material fact that the '565 Patent was obvious, and given the District Court's errors in handling and weighing the evidence, the Federal Circuit Court properly vacated the District Court's grant of summary judgment and remanded the case for further evidentiary proceedings on obviousness. The District Court should have found a question of fact. This Court need not review the fundamental decision by the Federal Circuit Court

to vacate the District Court's order granting summary judgment.[6]

C. The Court Has Consistently Declined To Review The Federal Circuit's Decisions On Obviousness

KSR's radical plea for this Court to reverse nearly twenty-five years of decisions by the Federal Circuit is far from novel. Since 1985, numerous parties have sought review of the same issues that KSR urges the Court to review in the instant Petition. **Significantly, the Court has not accepted one petition calling into question the Federal Circuit's interpretation of *Graham* or § 103.**

For example, in *Nickson Indus., Inc. v. Rol Mfg. Co.*, 765 F.2d 160 (Fed. Cir. 1985) (table), *cert. denied*, 474 U.S. 843 (1985), soon after the Federal Circuit obtained exclusive jurisdiction for patent appeals, a petitioner urged the Court to review the Federal Circuit Court's decision reversing a finding of invalidity on obviousness. The petition asserted that, as here, the Federal Circuit Court's decision conflicted with *Sakraida* and *Anderson's-Black Rock* and that the Federal Circuit "utilized too low of a threshold of patentability." *See* Petition for a Writ of Certiorari in *Rol Mfg. Co. v. Nickson Indus., Inc.*, 1985 WL 696236, at *6. Unlike the instant case, in *Rol Mfg.*, the petitioner claimed that the Federal Circuit Court had committed an arguably

6. Indeed, on remand, after further proceedings are conducted and additional evidence presented, the District Court (and possibly the Federal Circuit on appeal) may ultimately rule in favor of KSR and find that the '565 Patent is, in fact, obvious and thus invalid. It is also possible that the District Court could dispose of the instant case on remand on several independent grounds, such as non-infringement.

greater offense by engaging in its own fact finding on the issue of obviousness. *See* Petition for a Writ of Certiorari in *Rol Mfg. Co. v. Nickson Indus., Inc.*, 1985 WL 696236, at *10. This Court declined to review the case.[7]

In 2001, the Court was again asked to review the same issues presented in the instant petition, and the Court declined to do so. In *Ecolochem, Inc. v. Southern California Edison Co.*, 227 F.3d 1361 (Fed. Cir. 2000), *cert. denied*, 532 U.S. 974 (2001), the Federal Circuit reversed a district court ruling that a patent was obvious and thus invalid. The petitioner sought review from this Court on the basis that the Federal Circuit has "read into section 103 . . . the requirement that the challenger must prove . . . the existence of some 'suggestion, motivation, teaching or incentive' that would

7. The Court has consistently refused to review the Federal Circuit's decisions regarding obviousness. *See, e.g., Polaroid Corp. v. Eastman Kodak Co.*, 789 F.2d 1556 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 850 (1986) (petition urged the Court to review Federal Circuit decisions on obviousness, which have purportedly "wrought a sea change in patent law", *see* Petition for a Writ of Certiorari in *Eastman Kodak Co. v. Polaroid Corp.*, 1986 WL 766988, at *2); *see also Medtronic, Inc. v. Daig Corp.*, 789 F.2d 903 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 931 (1986) (petition sought review of Federal Circuit decisions on § 103, *see* Petition for a Writ of Certiorari in *Daig Corp. v. Medtronic, Inc.*, 1986 WL 767041); *see also Modine Mfg. Co. v. Allen Group, Inc.*, 917 F.2d 538 (Fed. Cir. 1990), *cert. denied*, 500 U.S. 918 (1991) (petitioner presented question for review "[w]hether the Federal Circuit . . . in this and other cases is systematically ignoring the plain language of 35 U.S.C. section 103", *see* Petition for a Writ of Certiorari in *Allen Group, Inc. v. Modine Mfg. Co.*, 1991 WL 11176960, at *1); *see also Langston v Southwestern Bell Telephone Co.*, 945 F.2d 416 (Fed. Cir. 1991), *cert. denied*, 503 U.S. 914 (1992) (petition sought review of Federal Circuit decisions on § 103, *see* Petition for a Writ of Certiorari in *Southwestern Bell Telephone Co. v. Langston*, 1992 WL 12074335).

have led one of ordinary skill in the art to combine or modify the prior art in the manner of the invention." *See* Petition for a Writ of Certiorari in *Southern California Edison Co. v. Ecolochem, Inc.*, 2001 WL 34124948, at *2. This Court declined to review that issue approximately four years ago -- and this issue is the identical issue now raised by KSR.

D. KSR's So-Called "Circuit Split" Is Overblown And Manufactured

KSR asserts that the Court should grant certiorari because of an "acknowledged circuit split" on interpreting § 103 of the Patent Act (Pet. at 20), in apparent reliance on Supreme Court Rule 10(a).

Simply put, there is no meaningful or relevant circuit court conflict on the precise substantive issues in this litigation. Nearly twenty-five years ago, in 1982, Congress vested the Federal Circuit with exclusive appellate jurisdiction over complaints involving, in whole or in part, claims involving federal patent law. 28 U.S.C. § 1295(a)(1); *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*, 525 U.S. 826 (2002). KSR does not provide any examples using any post-1982 decision from a circuit court other than the Federal Circuit that is in conflict with the Federal Circuit Court's decision in the instant case. Nor does KSR point to any pending cases in other courts of appeal that may create, in the future, a circuit court split. In sum, KSR's claims that there is a split among the circuits is not relevant to any pending proceeding, let alone the instant litigation.

KSR's claim that in *Allen Engineering Corp. v. Bartell Indus.*, 299 F.3d 1336 (Fed. Cir. 2002), the Federal Circuit acknowledged a circuit split, is misplaced.

First, in *Allen Engineering*, the Federal Circuit did not even cite to § 103; that case concerned claim construction under § 112 and the application of the on-sale bar under § 102(b). Second, the portion of the decision in *Allen Engineering* that KSR relies on to demonstrate a so-called "acknowledged" circuit split pertained to the Federal Circuit's admonishment of counsel of record for inaccurately stating the applicable law in post-trial briefs. 299 F.3d at 1356-57. There is no contested circuit split mentioned in *Allen Engineering*. KSR desperately misconstrues *Allen Engineering*, and in elevating the Federal Circuit's reprimand to the parties' counsel as an "acknowledged circuit split" concerning § 103, KSR has demonstrated its inability to meet the Court's standards for grant of a writ of certiorari under Supreme Court Rule 10(a).

CONCLUSION

Teleflex respectfully submits that KSR has not articulated a compelling reason to justify discretionary review by this Court. KSR's petition for a writ of certiorari should be denied.

Respectfully submitted,

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